

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Mailed: May 30, 2013

Opposition No. 91196767

Gruma Corporation

v.

Olé Mexican Foods, Inc.

**Benjamin U. Okeke, Interlocutory Attorney:**

Now before the Board is applicant's October 2, 2012, motion for leave to file an amended answer asserting counterclaims for the cancellation of two of opposer's pleaded registrations.<sup>1</sup> Applicant also seeks to reopen discovery for limited purposes. The motion has been fully briefed.

The discovery period in this proceeding opened December 13, 2010. On February 21, 2011, the parties filed a stipulated motion to suspend the proceedings pending settlement negotiations. Subsequent motions for suspension stayed action on this proceeding until January 23, 2012.

---

<sup>1</sup> Opposer's third pleaded registration, 2534248, has been cancelled by the Office for failure to file for renewal under Trademark Act § 8. Trademark Rule 2.134(b) is not applicable as this cancellation occurred prior to the commencement of any cancellation proceeding.

**Opposition No. 91196767**

In February 2012, the parties stipulated to reopen and extend the discovery and trial dates. Subsequent motions for extension of discovery were granted.

The parties filed a final stipulated motion for an extension of discovery on June 28, 2012. The motion was denied by the Board on July 25 for failure to provide a previously required progress report.

On July 30, 2012, applicant served its initial disclosures and its first set of interrogatories and requests for production of documents. The discovery period closed July 29, 2012.<sup>2</sup> Opposer served responses to these discovery requests by email on September 12, 2012.<sup>3</sup> On September 27 opposer's testimony period opened. Based upon information in the interrogatory responses served by opposer, applicant, on October 2, five days into plaintiff's trial period, filed the present motion to

---

<sup>2</sup> July 29, 2012, the close of discovery, occurred on a Sunday. Pursuant to Trademark Rule 2.196, when the last day of a period falls on a Saturday, Sunday, or Federal holiday, any action that should occur within the period may be taken the next succeeding day that is not a Saturday, Sunday, or a Federal holiday.

<sup>3</sup> Opposer states in its response brief that it "served its responses to these Interrogatories and Document Requests on September 4, 2012 by U.S. mail." Opposer indicates that a copy of the certificate of service was intended to be attached to the brief as Exhibit 1. However, no such Exhibit was submitted with the brief, therefore, the Board will use the date of the email, September 12, in its consideration of this motion.

**Opposition No. 91196767**

assert its counterclaim and motion to reopen discovery. The Board suspended proceedings to consider this motion.

**A. Amendment of the Applicant's Answer**

The amendment of pleadings prior to trial is contemplated by Federal Rule of Civil Procedure 15(a). Rule 15(a)(2) states: "[i]n all other cases, a party may amend its pleading only with the opposing party's written consent or the court's leave. The court should freely give leave when justice so requires." See TBMP § 507.01 (3d ed. 2011). See also *Hurley Int'l LLC v. Volta*, 82 USPQ2d 1339, 1341 (TTAB 2007).

In interpreting Rule 15(a), the Supreme Court noted in *Forman v. Davis*, 371 U.S. 178, 182 (1962), that:

If the underlying facts or circumstances relied upon by a plaintiff may be a proper subject of relief, he ought to be afforded an opportunity to test his claims on the merits. In the absence of any apparent or declared reason—such as undue delay, bad faith or dilatory motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing party by virtue of allowance of the amendment, futility of amendment, etc.—the leave sought should, as the rules require, be "freely given".

Applicant seeks to amend its answer to assert a counterclaim for cancellation of opposer's pleaded '991 and

**Opposition No. 91196767**

'372 Registrations. It should be noted that applicant has not filed the proper fees for a cancellation proceeding.<sup>4</sup>

The grounds for applicant's counterclaim apparently became known to applicant no later than September 12, 2012. Less than three weeks from that date applicant filed the present motion. The timing of applicant's filing of its motion to amend its answer to assert these counterclaims does not, by itself, represent a significant delay.

However, viewed in the context of the situation, applicant's delay does exhibit significant delay. Discovery having closed and plaintiff's testimony period imminent, time was of the essence for seeking relief from any deficiencies in discovery. Three weeks represents ample time to evaluate the sufficiency of opposer's discovery responses and take action to reopen discovery, compel sufficient answers or seek some other remedy.

Moreover, the issue is not simply whether applicant filed its motion promptly; the delay must take account of the relief applicant seeks. Granting applicant's motion

---

<sup>4</sup> A petition for cancellation, whether filed as the basis for a proceeding, or in connection with a counterclaim in an opposition, must be accompanied by the proper fees. Trademark Rule 2.111(c)(1). A petition that is submitted without any fee, as is the present case, or insufficient fees to proceed against at least one class in a registration, may be refused. Trademark Rule 2.111(c)(3)(i). In order to avoid needless delay for this technicality, the Board will consider this amendment at this time.

**Opposition No. 91196767**

may necessitate, as applicant requests, a reopening of the discovery period, allowing for depositions, rebuttal expert disclosures and any discovery necessary for opposer to defend applicant's counterclaim. Assuming that discovery were to be briefly reopened, a reset testimony period would likely open no earlier than August 2013, making the delay attributable to applicant's late pleading a far more significant delay in the proceeding.

Finally, the fact that the proceeding had progressed into plaintiff's trial period before applicant filed its motion, weighs in favor of a finding of undue delay.

The Court in *Forman* also instructed consideration of whether the amendment presents facts from which the relief sought may be granted. See *Forman*, 371 U.S. at 182.

With its motion applicant provided a proposed amended pleading including a counterclaim seeking cancellation of U.S. Registration Nos. 3306372 and 3618991, alleging opposer's abandonment of use of the registered marks. Applicant, in its pleading alleges that as to the '991 Registration, "[o]pposer ceased sales of masa (flour) under the LA MONITA mark in June, 2011," and that in reference to the '372 Registration, "[o]pposer ceased sales of tortillas under the LA MONITA mark in June, 2010." (Amended Answer and Counterclaim for Cancellation, ¶¶ 11 and 15).

**Opposition No. 91196767**

"There are two elements to an abandonment claim that a plaintiff must prove: nonuse of the mark and intent not to resume use." *ShutEmDown Sports Inc. v. Lacy*, 102 USPQ2d 1036, 1042 (TTAB 2012). Inasmuch as applicant has alleged nonuse for a period of less than three years, it remains applicant's burden to support its allegation of intent not to resume use with facts that if proven would indicate opposer either did not intend, or lacked the ability, to resume use of the mark. See Trademark Act § 45; *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990).

Applicant's proposed counterclaim does not contain any allegations of fact that would support a claim of intent not to resume use. Applicant merely claims that the marks have not been used by opposer on the specified goods for periods, both less than the three-year showing required to establish a *prima facie* showing of abandonment. See *ShutEmDown Sports Inc. v. Lacy* at 1042. Therefore, based upon the facts provided by applicant in its proposed petition to cancel, and taking those facts as true, applicant would nonetheless not be entitled to the relief it seeks. Accordingly, the claims are futile. Applicant's motion for leave to amend its answer and assert a

**Opposition No. 91196767**

counterclaim for the cancellation of U.S. Registration Nos. 3306372 and 3618991 is **DENIED**.

**B. Motion to Reopen Discovery**

Applicant's motion also seeks reopening of discovery for the purposes of allowing applicant to inquire further into the validity of opposer's registrations, to obtain discovery of opposer's expert, and to serve rebuttal expert disclosures. Applicant contends that the motion to reopen will not prejudice opposer. By its filing of the motion on October 2, applicant asserts that the timing of the motion does not reflect undue delay, and that the motion is being made in good faith. Applicant also contends that further discovery is warranted by the limited time for discovery in the proceedings thus far.

In order to reopen discovery applicant must establish that his failure to act in a timely manner was the result of excusable neglect. *See Vital Pharms. Inc. v. Kronholm*, 99 USPQ2d 1708, 1710 (TTAB 2011). In *Pioneer Inv. Servs. Co. v. Brunswick Assoc. L.P.*, 507 U.S. 380 (1993), as discussed by the Board in *Pumpkin, Ltd. v. Seed Corps*, 43 USPQ2d 1582 (TTAB 1997), the Supreme Court clarified the meaning and scope of "excusable neglect," as used in the Federal Rules of Civil Procedure and elsewhere. The Court

**Opposition No. 91196767**

held that the determination of whether a party's neglect is excusable is:

at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include. . . [1] the danger of prejudice to the [nonmovant], [2] the length of the delay and its potential impact on judicial proceedings, [3] the reason for the delay, including whether it was within the reasonable control of the movant, and [4] whether the movant acted in good faith.

*Pioneer Inv. Servs. Co. v. Brunswick Assocs. L.P.*, 507 U.S. at 395. In subsequent applications of this test, several courts have stated that the third *Pioneer* factor, namely the reason for the delay and whether it was within the reasonable control of the movant, might be considered the most important factor in a particular case. See *Pumpkin, Ltd.*, 43 USPQ2D at 1586 n.7 and cases cited therein.

Discovery in this proceeding opened on December 13, 2010. While the Board is clearly aware of the suspension of the proceeding on February 23, 2011, there were clearly more than two months during which applicant could have propounded discovery. For whatever reason, be it strategic or mere procrastination, this opportunity for discovery was not exploited. Further, the parties could have taken discovery during the lengthy period of extensions granted by the Board for settlement negotiations. While the suspension of a proceeding for settlement negotiations

**Opposition No. 91196767**

stays all action in the proceeding outside of settlement talks, the same is not true for extensions of time. Regardless of the parties' inactivity they could have continued the prosecution of this opposition during the four months of discovery following resumption in February 2012. Therefore, though the parties were discussing settlement during the period of extensions, the parties could have at any point during that period exchanged initial disclosures and discovery requests. In all, the parties had at their disposal a period greater than the customary six-month discovery period with which to seek relevant information.

"A party may not wait until the waning days of the discovery period to serve his discovery requests or notices of deposition and then be heard to complain that he needs an extension of the discovery period in order to take additional discovery." *Luehrmann v. Kwik Kopy Corp.*, 2 USPQ2d 1303, 1305 (TTAB 1987). Settlement was not achieved by the parties; little, if any, discovery was requested until the final day of the discovery period, and applicant now seeks relief from the Board to attend to this opposition.

Finally, the Board's scheduling provides for a forty-five-day period after the close of discovery, but prior to

**Opposition No. 91196767**

the opening of the plaintiff's trial period. This period is in place, *inter alia*, for the parties to cure any pleading or discovery issues, or seek any possible further extensions of time. This period was also available to applicant to cure any perceived discovery defects.

The third *Pioneer* factor weighs against a finding of excusable neglect.

With regard to the second *Pioneer* factor, the extent of delay for the proceeding, we find the delay caused by applicant's failure to act prior to the opening of plaintiff's trial period to be significant. In addition to the time between the close of discovery and the filing of applicant's motion to reopen, there is the additional, unavoidable delay arising from the time required for briefing and deciding this motion. See *PolyJohn Enters. Corp. v. 1-800-Toilets Inc.*, 61 USPQ2d 1860 (TTAB 2002). Further, we have established that granting applicant's motion to reopen discovery would represent an approximately six-month delay in this proceeding, which we have found to be significant. Both the Board and parties before it have an interest in minimizing the amount of the Board's time and resources that must be expended on matters, such as the present motion. Thus, the second *Pioneer* factor also weighs against a finding of excusable neglect.

**Opposition No. 91196767**

With regard to the first *Pioneer* factor, the Board finds that there is no evidence of significant prejudice to opposer, and, with regard to the fourth *Pioneer* factor, the Board finds that there is no evidence of bad faith on the part of applicant. Both the first *Pioneer* factor and the second are found to be neutral.

On balance, the Board finds that applicant's failure to timely act before the opening of plaintiff's trial period did not result from excusable neglect.

Accordingly, applicant's motion to reopen the discovery period is **DENIED**.

**C. Dates**

Proceedings are resumed. Remaining dates are reset as follows:

Plaintiff's 30-day Trial Period Ends	7/8/2013
Defendant's Pretrial Disclosures	7/23/2013
Defendant's 30-day Trial Period Ends	9/6/2013
Plaintiff's Rebuttal Disclosures	9/21/2013
Plaintiff's 15-day Rebuttal Period Ends	10/21/2013

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

**Opposition No. 91196767**

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b).